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~~C O N F I D E N T I A L/NOFORN~~ [redacted] (b)(3) 10 U.S.C. 424

~~NOFORN~~

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SUBJECT: THIS IS IR (b)(3):10 USC 424
1. COUNTRY: ARGENTINA ~~(AR)~~
2. REPORT NUMBER: (b)(3):10 USC 424
3. TITLE: (U) MILITARY LOGISTICS - ARMY AMMUNITION PRODUCTION
4. PROJECT NUMBER: N/A
5. DATE OF INFORMATION: 780217
6. DATE OF REPORT: 780222
7. DATE AND PLACE OF ACQUISITION: 780217
8. REFERENCE: INITIATIVE, IR (b)(3):10 USC 424
9. ASSESSMENT SOURCE INFO:
10. ORIGINATOR: (b)(3):10 USC 424
11. REQUEST EVALUATION: NO
12. PREPARING OFFICER: (b)(3) 10 U.S.C. 424
13. APPROVING AUTHORITY

2024 325

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Date: Oct 19, 2018

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(b)(3) 10 U.S.C. 424

14. SOURCE:

15. SPECIAL INSTRUCTIONS: ~~DIRC: NO - MOFORN TO AVOID EMBARRASSMENT TO HOST GOVT~~

(b)(3):10 USC 424;Sec. 3.3(b)(1)

16. SUMMARY: (U) THIS IR FORWADS INFORMATION ON THE CURRENT STATUS ON THE ARMY PLANS TO PROCURE NEW PRODUCTION LINES FOR SMALL ARMS AMMUNITION.

22. DETAILS: ~~(C/NOFORN)~~ ON 17 FEB 78,

MILITARY FACTORIES IS MOVING AHEAD WITH ITS PLANS TO PROCURE NEW PEODUCTION LINES FOR 7.62 AND 9MM AMMUNITION (SEE REF IR).

Sec. 3.3(b)(1)

THREE FIRMS, FIMI (ITALIAN) AND A FENCH/GERMAN CONSORTIUM FORMED BY FRITZ WERNER AND MANURHIEM SUBMITTED BIDS FOR THE CONTRACT. SOURCE CLAIMED THAT THE ARGENTINE MILITARY PREFERRED Sec. 3.3(b)(1) AS OPPOSED TO THE OTHERS AND Sec. 3.3(b)(1) WILL RECEIVE THE CONTRACT IF AN EXPORT LICENSE CAN BE OBTAINED. WAS ASKED Sec. 3.3(b)(1) IF HE HAD ANY ASSURANCES A LICENSE WOULD BE ISSUED, HE RESPONDED "NO." ON THE CONTRARY HE BELIEVED THAT THE CHANCES WERE SLIM TO NONE UNLESS SOME PRESSURE WOULD BE BROUGHT TO BEAR.

Sec. 3.3(b)(1)

WERE OBVIOUSLY UPSET AT THE PROSPECTS OF LOSING A MULTI MILLION DOLLAR CONTRACT WHICH THEY BELIVE THEY COULD EASILY HAVE. THEIR FRUSTRATIONS WERE COMPOUNDED BY THE FACT THAT ANOTHER CONTRACT NEXT YEAR FOR APPROXIMATELY 20 MILLION DOLLARS WOULD BE OFFERED FOR 20-40MM CARTRIDGE MANUFACTURING LINES.

COMMENT: ~~(C)~~ MILITARY FACTORIES HAS DEFINITELY DECIDED TO REMODEL ITS MUNITIONS PRODUCTION FACILITIES AT ITS BELTRAN AND SAN FRANCISCO PLANTS. MILITARY ENGINEERS APPARENTLY PLAN TO VISIT THE FACILITIES OF ALL THREE BIDDERS AND OFFER THE CONTRACT IN EARLY JUN 78. THE ACQUISITION OF NEW MACHINERY WILL CONSIDERABLY IMPROVE FACTORIES MUNITION PRODUCTION CAPABILITY SINCE PRESENT EQUIPMENT IS OLD AND WEARING OUT. THIS MSG COORD W/AMEMBASSY ~~GDS DEC 84~~

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